

Abstract

The thesis deals with the concept of budgetary discipline and various aspects of its possible enactment in the legal system of the Czech Republic and of the European Union. The aim is to analyze the current legal regulation in this field and suggest legislative changes that could improve its existent unsatisfactory state.

The first chapter provides the theoretical basis for the subsequent analysis as well as for the recommendations presented in further chapters. The concepts of budgetary law, public budgets and budgetary discipline are defined here together with the basic principles of budgetary law. The stress is put on the principle of the long-term balance of public budgets that constitutes a starting point when examining budgetary discipline.

The second chapter concentrates on the regulation of budgetary discipline in the Czech Republic. Taking into consideration the current situation, when the principle of long-term budgetary balance and consequently the budgetary discipline are almost totally ignored in our legal system, I decided to focus on the analysis of drafts that have regularly appeared since the 1990s and have never passed the Parliament. Regarding the valid legal regulation I centre on expenditure frameworks which are dealt with in the law on budgetary rules.

The third chapter pays attention to the legal regulation of budgetary discipline in the EU law. As this topic gets higher priority at the European level than in the Czech Republic, there consequently exists more extensive legal regulation there. The foundations lay in the primary law, in the Treaty on the Functioning of the European Union and in the Protocol on the Excessive Deficit Procedure, which is its appendix. The Stability and Growth Pact has a form of secondary law. It was instituted in 1997 to supplement the rules solving the problem of excessive budget deficit and has been significantly revised several times. The last part of this chapter deals with the Treaty on Stability, Coordination and Governance that was signed last year and which the Czech Republic and Great Britain refused to join.

The last chapter presents a critical assessment of the legal situation outlined in the two previous chapters, and it also contains my own recommendations. These aim at modifications in the law of both the EU and the Czech Republic. Functionality and enforceability are considered the basic principles on which the rules of budgetary discipline should be based. That is why my recommendations deal not only with the

regulation of budgetary discipline in the legal system and the content of fiscal rules, but they also propose sanctions for the breach, including establishing a supervisory institution.